

The Salt River Journal.

A. H. BUCKNER,

"POWER IS EVER STEALING FROM THE MANY TO THE FEW."

EDITOR AND PROPRIETOR.

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From the Democratic Review for May, 1838.

ATTOBIOGRAPHY

OF FERRET SNAPP NEWCAST, ESQ.

Being a full exposition and exemplification of the "Credit System."

[concluded.]

It was now that I grasped the reality of what I had so long anticipated. Before proceeding to the seat of government, I had projected a scheme for a bank, founded on the great principle of making money out of nothing; a self-constituted, self-existent, perpetual-motion bank-machine, entirely independent of any representative of real value, and which, like a spider, would spin its web for catching flies out of its own bowels. On opening my scheme to several of my confidential friends, who had submitted to the disgrace of being called democrats for a time, in order that they might make use of their support in the attainment of their object, they were delighted with it,—most especially when they found that my bank required not a dollar for its specie basis. They eagerly joined me in a memorial to the Legislature, stating that there was a great necessity for an increase of capital in the great city of Ragamuffinville, and a great surplus capital having no profitable means of investment; and that the applicants being great friends to the Equal Rights of the Southern people, had come forward, actuated solely by the public good, or request a charter conferring on the common principle, which through the people were published from exercising, were exclusively for their benefit. This charter, I employed a friend of mine, a lawyer unequalled in drafting laws for the purpose of being evaded, to draw up in such a manner as that it would require no capital to pay up the stock, and authorize the corporation to do directly the contrary of what the Legislature intended. With this, I proceeded, in anticipated triumph, to the fountain of legislation.

On my arrival, I found that almost every member of that honorable body had some scheme or other on the anvil for the public good, and in the benefits of which he expected to participate, only as one of the people. I made it my first object to become acquainted with the individual interest of every member, and set about reconciling them all, if possible. This, however, was a task beyond my power to accomplish, and it then occurred to me that though I could not reconcile, I might unite them all, and thus produce perfect harmony. This plan was accordingly adopted, and produced the most beneficial consequences. Each member proceeded on the great and only just principle of reciprocity, that is, each one promised to support every one of these schemes, provided, all the others would support his, and thus, the whole batch was carried triumphantly through our honorable body with only three dissenting voices, consisting of three members who had been guilty of the unpardonable negligence of coming thither without a single project for the public good.—This was the origin of that great modern improvement in legislation, called log-rolling, of which I flatter myself I am the sole inventor.

My bank went through with the rest, and with it commenced the new and most glorious era of that great Credit System, of which it has been truly said, that its destruction would be immediately followed by universal ignorance and barbarism. My lawyer had incorporated into our charter a phrase of my own invention, and which in my opinion—and I hope I am not misled by vanity; embodies the greatest improvement ever made in the system of banking, I allude to the provision that the capital of our bank should be either paid in, "or SECURED TO BE PAID."

Under this convenient and salutary provision, on the breaking up of the session we returned to Ragamuffinville, and immediately commenced operations. We began with engraving and filling up notes to the amount of twice our nominal capital, with which we paid the first instalment on our subscriptions for stock, the whole of which, with the exception of a few hundred shares—assigned to some members of the Legislature as a compliment for voting according to their consciences—was distributed among ourselves. For the remaining instalments, as they be-

came due, we first issued the stock, then gave our notes of hand for the amount, and then pledged the stock as collateral security.

Here then was the credit system brought to that perfection which I had long imagined possible, and now saw realized. It was the ideal representation of a pyramid reversed; nothing at the bottom, and a vast expansion of surface at the top. It was credit founded on credit, paper on paper, and promise on promise. It might, consequently, be extended to an infinite series, or at least so long as human credulity, that great beast of burden, could be brought to stagger under the blessing.

We had some difficulty in finding a cashier to make oath that our capital was thus "paid in, or secured to be paid;" but, at length, were lucky enough to catch a man exactly suited to our purposes; one just emerged from the errors of the dark ages, and who recognized the distinction between the letter and spirit of an oath. He saw clearly that "secured to be paid," was an indefinite phrase, and, consequently, meant just what a man pleased to make it. He, therefore, swore most manfully, and our bank proceeded to business, by, in the first place, lending twenty-five per cent. more than the whole of its capital to the directors, the cashier, and the president, to wit, myself, who claimed, and received one-third of the whole as my lawful share.

Having thus achieved the grand desideratum of making money out of nothing, my next step was to turn the discovery to the greatest advantage by changing what was worth nothing for something of real value. The truth is, I could never entirely discard from my mind certain unpleasant intruding doubts of the stability of my system, and therefore resolved to make hay while the sun shone. Accordingly, I conceived another grand scheme for the employment of the surplus funds of our institution. I proposed to a certain number of the members of the Legislature, to which I now no longer aspired, a plan for a great public improvement, that is, a rail road of a few hundred miles in length.

The thing was kept perfectly snug, while, by means of the funds furnished by our Bank, which was capable of expanding like an empty bladder, was proceeded quietly to purchase all the land in the immediate vicinity of the line of the contemplated improvement, which was intended however solely for the public good. We then once more commenced the system of log-rolling, to which I added another lever of my own invention, to wit, the agency of lobby members, and the law passed by a great majority; although stoutly opposed by an ignorant old Dutch member, who insisted that the public good had come to signify nothing but private interest.

Our project went on swimmingly, and such was the rise of property along the contemplated improvement, that it was sold, and resold, on credit, so many times that it was afterwards ascertained it had become the representative of more paper promises of one kind or other, than the whole district of country through which it passed, would sell for, after the great improvement was made. Such was one of the first triumphs of my new Credit System, the great advantage of which is, that it enables people to run in debt indefinitely, and property to represent fifty times as much paper as it is worth.

As a sort of interlude to this, I became a purchaser of vast tracts of public land in the West, which I paid for in the notes of our bank, on which I expected to realize immense profits, and which, even though it fell in price, would still be worth more than our paper promises, the chief recommendation of which was, that the moment they passed from my hands, as a private person, in payment of a debt, the debt was paid, though they might become ever so worthless afterwards. This is another advantage of my newly invented Credit System, if not to those who receive, at least to those that pay. In this case, as I purchased of Uncle Sam, my conscience was quite easy, for in case the worst came to the worst, the old fellow could afford to lose the money.

I was now rolling in wealth; the idol of the brokers; the oracle of financiers; the controller of the stock market; the envy of all that miserable race, which lives on real property and labor; and the founder of cities, for I had laid out six of these on my new lands, or rather on the maps of my lands, some of which threatened to outgrow even the great emporium of Ragamuffinville. Nay, I don't know but I may in time become the founder of a great empire on the North Pacific, where I once established an Agency for buying muskrat and mink skins.

But alas! there is nothing perfect in this world, and my new Credit System though as near perfection as possible, was unluckily a little out at one of its elbows. It contained a vile principle, by which it is said, by pretended philosophers, every thing in the natural and moral world is regulated. I mean the mischievous and abominable principle of reaction, the greatest enemy to the Credit System which has ever presented itself.—Under the operation of this, it is pretended that the affairs of this world resemble the action of a pendulum, which the farther it is

driven one way the farther it will recede on the other, thus ever returning to oppose extremes.

Whether there be such a law of nature, or necessity, or not, certain it is that I now began to experience the existence of some cause or other by which the equilibrium of my new Credit System was sadly disturbed. At first I ascribed it to the great numbers of banks which had grown out of the system, with capitals "paid in, or secured to be paid" in a similar manner to ours; and the operation of the old saying that "too much pudding will choke a dog." This however, so contrary to my first principle, and so that it was utterly impossible to have too much of a good thing, and of course an excess of credit and paper money, that I discarded it with contemptuous indignation.—At length I hit the nail on the head. I discovered the origin of all the dangers which now began to threaten my system in two great sources, namely, the "Specie Circular" and the "Specie Humberg." These two humbergs plagued me exceedingly. The former interfered with the founding of my cities in the West, by striking at the root of my Credit System, which contemplated the entire extension of every thing but promises to pay instead of payments; and the latter was a serious obstacle to my plan of causing the people to give up their absurd prejudices in favor of silver and gold, by keeping the latter out of sight until they should actually forget such things ever existed. I always considered specie as the great ally of ignorance and barbarism, and was convinced in my own mind that an extensive paper circulation representing nothing, and which nobody was obliged to redeem, was the sole agent of refinement and civilization. And here I must do myself the justice to state that the idea which a "Great Financier" of the present day has since carried into practice, of issuing the notes of defunct institutions, upon the above principle, was suggested by me in a confidential conversation.

Be this as it may, these two mischievous humbergs caused a sudden revolution in the flood-tide of my affairs. The underheaded people, I mean the big-pawed farmer, and the hard-headed mechanics and laborers, began once more to recall to mind those demoralizing substitutes for paper money, silver and gold, which are well denominated in the Scriptures the root of all evil. Certain mischievous fellows, out of revenge for being disappointed in getting discounts at my bank, began to write essays in some of the newspapers where editors were in a similar predicament, full of the most disorganizing principles. They maintained the enormous heresy of equal rights; denounced Monopolies; denied that a promise was the actual substance of the thing promised, and called the obligation; and dared to insinuate that a superstructure that had no foundation would be very likely to fall to the ground, the first storm it encountered. Nay, they had the hardihood to assert that of nothing, nothing could come, and thus stuck at the very heart of my system. In vain did I marshal my forces, consisting of editors of newspapers whom I had conciliated by my generosity, and who repaid me with gratitude; politicians whom I had linked body and soul with the existence of my system, and who lived and breathed in that alone; and legislators who had grown out of it like toad stools from rotten wood. In vain did I set on foot the cry of Loco Foco, Fanny Wright, Robert Dale and Jack Cade; equally vain that I called on the people who owed more than they could pay; the people who sighed to make promises they could not fulfil, and all those who desired to live by their wits instead of labor, to come forth and defend their possessions, their morals and their religion. All would not do.—The stubborn ignorance of the mass of mankind, which prevents them from knowing when they are well off, or properly distinguishing between happiness and misery, resisted the efforts of reason and virtue, and it becomes evident that the crisis of my great Credit System was at hand.

It behoved us, therefore, to make ready for the shock; and accordingly proceeded to prepare ourselves for a rum upon our Bank. We had only specie enough in our vaults to pay postage of our letters, and our capital consisted entirely of the following items:

Firstly.—The notes of hand which represented the stock of the bank.

Secondly.—The stock of the bank which represented the notes of hand.

Thirdly.—The debts due to the bank, to wit, the notes of the president, directors, and editors and politicians, we had thought it prudent to make friends of, in order to resist the stupid, ignorant hostility of the "big paws" and others. I had almost forgot to mention that somewhat rising one-third more than the whole amount of the nominal capital of our bank, was loaned to myself and the Directors, of which I had by far the largest share, as was but just, seeing I had not only invented the great improvement in the Credit System, but likewise the means of carrying it into execution by log-rolling.

The brief exposition will serve better than any other mode, to exemplify the principles of my system. The reader will readily perceive that our Bank had actually no other capital than public confidence, or as

the infidel Loco Focos, and Fanny Wright men, who believe in nothing but Specie Humbergs, call it, public credulity. This was the perfection of my system. It is easy enough to found a Banking System on a specie basis, but to raise it upon credit alone, I consider the triumph of financiering.

Our first act, in order to meet the unreasonable demands of the senseless people who had held our notes, a great amount of which we had issued in anticipation to strengthen us against the coming storm, was to discharge a great duty to ourselves. Charity begins at home, is one of the fundamental maxims of my Credit System. I have therefore decided to liquidate our own obligations by cancelling all our respective notes, give as security for the capital stock. Our next act was to cancel the certificates of stock; pledged by ourselves as collateral security for the stock; and our third to throw both notes and certificates into the fire. Thus at once were cancelled all our responsibilities in the most satisfactory manner. The bank which according to my great Credit System originated in nothing, returned to its original element of nothing, and all parties were perfectly content, except those eternal and disorganizing grumblers, the Loco Focos and Jack Cade men whom nothing will satisfy, who came with their hands full of our notes to demand payment, and began to talk of tarring and feathering. But the Mayor had providentially ordered out the military to overawe these unreasonable villains, and so my gentleman went home with each a flea in his ear. I dare say some of them suffered considerably by the loss of a pitiful sum, unworthy the notice of the great inventor of the Credit System, but I have since quieted my conscience by subscribing liberally to soup-houses, and thus fairly quit scores with these wretched, irreligious, demoralized beings.

This equitable adjustment of our affairs placed me on the very pinnacle of prosperity. I had paid all my debts to the people, and might now have sat down in the enjoyment of a quiet conscience and unbounded wealth but the truth is, I longed for a single hundred thousand dollars more, to make up two millions, and unfortunately an opportunity seemed to present itself just in the nick of time.

I had a particular friend,—one with whom I had done business for years past, and regularly got to windward of two or three times a year; but with all this the fellow crept along prosperously by some inconceivable means beyond my comprehension. There are such men in the world, and of all beings in the creation they most puzzle me to account for their prosperity. They themselves pretended to explain it by quoting that stale maxim about honesty being the best policy; but for my part I never saw honesty achieve such wonders, and accordingly it does not constitute one of the elements of my Credit System. It is at war with the spirit of the age and the progress of improvement.

Be this as it may, then in consequence of the "suspension" of our Bank, I had got rid of all my responsibilities in the most satisfactory manner, and felt myself perfectly independent of panic and pressure, my worthy friend came to me one day with a proposition to sell a tract of new land, comprising three millions of acres, and several large towns in respective. This tract I had originally sold him at a pretty considerable profit, and now thought it would be a capital operation to purchase back again under the depression of the panic which I was convinced would blow over again, and be followed by a corresponding reaction of prices.

My worthy friend was excessively alarmed, and consequently very desirous to sell his land, and realize the proceeds, as soon as possible. I took advantage of his apprehensions, and finally purchased back my land at somewhat less than half of what I received for it, paying him cash in hand. The poor creature went away highly delighted, and what is not common on such occasions, but parties were perfectly satisfied. He rejoiced in selling, and I in purchasing, what I was assured would enrich me a few hundred thousand in the end.

This would undoubtedly have been the case if it had not been for the obstinate ignorance and stupidity of our outlandish Government, which about this time began a series of diabolical experiments, which played the very mischief with my Credit System, and gradually undermined its only support, namely, the public credulity. It undertook to refuse my bank notes in payment of the public lands, which operated against my system like a two-edged sword, right and left.—It injured its credit and depressed the price of lands, by demanding payment in specie instead of what all people of good breeding call its "representative."

It embarrassed me terribly, and was the commencement of the downfall of one of the greatest estates ever acquired by a single man in the United States. People when they found themselves obliged to give real value instead of its respectable representative for lands, began to calculate to cost, etc. which they never did before, when they paid in promises which neither themselves nor any body else ever expected to redeem. Land began to descend rapidly, and like a

wagon running down hill, the nearer it got to the bottom the faster it went. Nor content with aiming this blow at the national prosperity, this outlandish Government not long afterwards proposed the "Infamous Scheme" of a divorce of Bank and State, which completed my downfall.

"Infamous Scheme," indeed, for what could be more infamous than withdrawing the Government from a partnership in which it furnished a great portion of the capital, and all the credit, while the other parties received all the profits? It was in fact a barefaced robbery against my system, and so indignantly all the really honest patriots raised a hue and cry the moment it made its appearance. I was one of the first that moved in the business by calling a meeting of every man who owed more than he could pay, in the city of Ragamuffinville, and they were not a few in number—which denounced the Specie Circular, the Infamous Scheme, and the outlandish Administration, which had, by its stupid folly, arrested the career of my Credit System, and ruined the country by prematurely experimenting on the capacity of mankind, to continue the practice of running in debt through an infinite series, as I am convinced can be done, if no mischievous attempts are made to appeal to their common sense and experience.

But if any doubt remains of the beautiful perfection of my system, it will be found in the following fact which I record as the consummation of its triumphs. I had for more than fifteen years lived in the greatest luxury and splendor; I had spent in that time upwards of two hundred and fifty thousand dollars; I had held property to the amount of between two and three millions, and yet when I came to investigate my affairs critically, I found that at no period of my prosperity had I ever been worth a dollar in the world! In short, I had been over head and ears in debt every moment of that time.

Can any one after this doubt for a single moment the perfection of my Credit System? Can any man that loves his country or his species, refrain from joining with me in denouncing the Specie Circular, the Specie Humberg, the Infamous Scheme, and the tissue of blundering ignorance exhibited by our outlandish Administration? But for these I might have gone on accumulating "responsibilities" and spending money like dirt, to the end of my life; and what if my debts had increased all that time? It would only have been a few hundred thousand dollars more issues of paper money, by some body or other, and the vacuum would have been supplied. This is the great beauty of my system. It works by an infinite series, as it were, and there is only one trifling thing wanting, namely, that there should be all debtors, and no creditors, in the world. I don't despair of bringing this about, when, as will certainly be the case a couple or three years hence, our ignorant outlandish Administration is replaced by my disciples of the Credit System. Then shall we see the age of Internal Improvements unexampled, exquisite refinement, and unlimited public prosperity; for then will every body owe and nobody pay; then will the wealth of the nation, like that of England, be demonstrated by the amount of its debt; then will the true Agraian principle be in practical operation, for a man who borrows a hundred thousand dollars will be as rich as the one that lends it; and then there will be no occasion for a bottom to the sea, for the whole world will be adrift on its surface.

Such are the anticipations with which I solace the lazy hours of my temporary retirement from the business of the world.—My other auxiliary comforts is in recalling the busy scenes of my former career, and either suggesting great speculations to others, or imagining the muse for myself. In this way endeavor to get rid of the desperate ennui of a life free from the perplexity and distraction of being out of debt. I have compounded with my creditors at a pittance in the pound, and the lender depression consequent on being freed from the excitement of getting up every morning, without knowing whether I should not be "suspended" before night; and going to bed every night with the anticipation of being alone duck the next morning, is now the principal evil of which I complain. It is inconceivable what interest such vicissitudes communicated to life, and were it not that I look forward to the speedy downfall of our ignorant outlandish Administration, and the reascension of my Credit System in more than its past glory, I really believe I should be obliged to turn philanthropist, to pass away the time.

P. S. I forgot to mention on my retirement from the Presidency of the Bank, the Directors unanimously voted me a service of plate, worth twenty thousand dollars; and that my father, to whose lessons I am indebted for every blessing I have enjoyed or anticipated, has lately been appointed by the Federal Common Council of Ragamuffinville, Chairman of the Finance Committee, on account of his great talent at "raising the wind," which is now the principal employment of our States and Corporations.

MODESTY.—The Ladies of Baltimore are so refined that they call a coat tail the conclusion of a gentleman's outer vestment.